

Message Text

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46

ACTION EUR-25

INFO OCT-01 ISO-00 PM-07 NSC-10 SPC-03 SAM-01 SS-20 RSC-01

EB-11 COME-00 OMB-01 TRSE-00 XMB-07 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 USIA-15 PRS-01 DRC-01 /118 W

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R 011349Z MAR 74

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 7862

INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE BUCHAREST 0820

E.O. 11652: N/A

TAGS: OVIP, ETRD, ETRN, RO

SUBJECT: HELICOPTER SALE TO ROMANIA - VISIT OF SIKORSKY PRESIDENT

REFS: A) STATE 38066 (NOTAL); B) BUCHAREST 0672

1. THROUGH DIRECT TELEPHONE CONTACT WITH US AND EUROPEAN OFFICES OF SIKORSKY AND UNITED AIRCRAFT, EMBASSY COORDINATED VISIT TO BUCHAREST OF GERALD TOBIAS, PRESIDENT OF SIKORSKY, WILLIAM DIEFENDERFER, VICE PRESIDENT OF UNITED AIRCRAFT CORP., SIKORSKY REP GEORGE ROBINS, AND UNITED AIRCRAFT INTERNATIONAL PARIS REP DE SIBERT.

2. APPOINTMENTS WERE ARRANGED WITH MOST OF PRINCIPAL ROMANIAN OFFICIALS INVOLVED IN PROJECT INCLUDING DEPUTY MINISTER OF MACHINE TOOLS (IN CHARGE OF CIVAIR AFFAIRS) BOLDUR, DIRECTOR GENERAL OF AERONAUTIC GROUP, GENERAL ISPAS, DIRECTOR GENERAL OF TEHNOIMPORT HARABAGIU, CHAIRMAN AND PRESIDENT OF FOREIGN TRADE BANK VOLOSENIUC, AND MINISTER AND STATE SECRETARY FOR FOREIGN TRADE NICOLAE NICOLAE. EMBOFF ACCOMPANIED GROUP ON ALL CALLS.

3. FOR FIRST TIME IN MANY WEEKS, A SOMEWHAT MORE ENCOURAGING TONE WITH RESPECT TO US FIRM WAS SET BY ALL GOR OFFICIALS. IT IS NOT YET CLEAR WHETHER THIS IS MEANT TO STIMULATE SIKORSKY TO MAKE
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ADDITIONAL CONCESSIONS AS CONTRACT AWARD APPROACHES, IS A SIGN THAT

HELICOPTER TALKS WITH FRENCH DURING JOINT COMMISSION MEETING PERHAPS NOT PROCEEDING AS WELL AS PLANNED, REPRESENTS HOSPITALITY NORMALLY SHOWN TO MAJOR COMPANY EXECUTIVES, OR WHAT PART THESE AND OTHER ELEMENTS PLAY IN THIS NEGOTIATING STAGE. ACCORDING TO GOR OFFICIALS, DECISION IS YET TO BE TAKEN BY GOVERNMENT LEADERSHIP.

4. DEP MIN BOLDUR TOLD COMPANY EXECUTIVES THAT THEIR VISIT CAME AT PROPITIOUS TIME, BUT DID NOT ELABORATE, AND WENT ON TO REFER TO ADVANTAGES TO ROMANIA OF DOING BUSINESS WITH SUCH BROADLY BASED COMPANY AS UNITED AIRCRAFT. HE MADE IT CLEAR THAT ACCEPTANCE OF CHANGES IN BIDS AND PROPOSALS WAS NOT CLOSED, AND ASKED COMPANY OFFICIALS TO PRESENT ANY PROPOSAL MODIFICATIONS AS SOON AS POSSIBLE; FOLLOWING MEETING BOLDUR TOOK EMBOFF ASIDE TO URGE CLOSE CONTACT BETWEEN MINISTRY AND EMBASSY DURING NEXT FEW WEEKS. BOLDUR ALSO SAID HE WAS PERSONALLY HOPING FOR FINAL DECISION SOME TIME DURING MONTH OF MARCH.

5. GENERAL ISPAS TALKED OF POSSIBILITY OF LONG TERM RELATIONSHIP WITH SIKORSKY AND UNITED AIRCRAFT IN SEVERAL AREAS, AND FOLLOWED UP WITH SPECIFIC SUGGESTIONS WHERE SIKORSKY PROPOSAL COULD BE IMPROVED; THESE INCLUDE LICENSE COSTS, ESCALATION CLAUSE, FINANCING (THROUGH EXIMBANK), AND COPRODUCTION PROGRAM. TOBIAS SAID HE WOULD PERSONALLY GIVE CAREFUL CONSIDERATION TO THESE ITEMS, AND PROMISED RESPONSE THROUGH SIKORSKY NEGOTIATING TEAM IN ABOUT ONE WEEK.

6. MINISTER NICOLAE MADE POINT THAT CURRENT CONTRACT WITH FRENCH ON ALOUETTE PROGRAM DOES NOT REPEAT NOT COMMIT GOR TO GO WITH FRENCH ON NEW HELICOPTER CONTRACT NOW UNDER CONSIDERATION. HE STRESSED IMPORTANCE OF SIKORSKY ASSISTANCE IN MARKETING, BOTH IN US AND IN THIRD COUNTRIES, AND TOOK CONSIDERABLE TIME TO EMPHASIZE IMPORTANCE OF FINANCIAL TERMS IN IMPROVINT SIKORSKY PROPOSAL. NICOLAE SAID THAT "CONTRACT WITH SIKORSKY AND UNITED AIRCRAFT COULD HAVE WIDE APPLICATION IN THE ROMANIAN AVIATION INDUSTRY"; HE HAVE AS EXAMPLE USEFULNESS TO ROMANIAN INDUSTRY OF CO-PRODUCTION PROGRAM WITH G.E. ON JET ENGINES. HE CONCLUDED SAYING THAT HE CONSIDERS HELICOPTER PROGRAM WOULD BE ONLY FIRST STAGE IN LARGER RELATIONSHIP WITH UNITED AIRCRAFT CORPORATION. TOBIAS RESPONDED SAYING THAT AFTER CAREFUL REVIEW WITH CORPORATION OFFICERS, SIKORSKY PLANS QUICK RESPONSE WITH VIEW TOWARD LIMITED OFFICIAL USE

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IMPROVING PROPOSAL TO MAXIMUM EXTENT POSSIBLE.
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Message Attributes

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